



General Assembly

January Session, 2003

**Amendment**

LCO No. 7116

\*SB0114707116SD0\*

Offered by:

SEN. MURPHY, 16<sup>th</sup> Dist.

REP. FONTANA, 87<sup>th</sup> Dist.

REP. DONOVAN, 84<sup>th</sup> Dist.

REP. O'BRIEN, 24<sup>th</sup> Dist.

REP. URBAN, 43<sup>rd</sup> Dist.

To: Subst. Senate Bill No. 1147

File No. 493

Cal. No. 323

**"AN ACT CONCERNING HEALTH INSURANCE FOR LOW INCOME ADULTS."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective October 1, 2003*) As used in sections 1 to  
4 12, inclusive, of this act:

5 (1) "Administrative services fee" means any required payment made  
6 by an individual for the purpose of defraying the administrative costs  
7 of the HUSKY Plan, Part C;

8 (2) "Adult" means any individual who has attained the age of  
9 nineteen;

10 (3) "Applicant" means any individual who has attained the age of

11 nineteen, with income exceeding one hundred per cent of the federal  
12 poverty level, who applies for coverage under the HUSKY Plan, Part  
13 C;

14 (4) "Coinsurance" means the sharing of health care expenses by the  
15 insured and an insurer in a specified ratio;

16 (5) "Commissioner" means the Commissioner of Social Services;

17 (6) "Copayment" means a payment made on behalf of an enrollee for  
18 a specified service under the HUSKY Plan, Part C;

19 (7) "Department" means the Department of Social Services;

20 (8) "Durable medical equipment" means durable medical  
21 equipment, as defined in Section 1395x(n) of the Social Security Act;

22 (9) "Eligible beneficiary" means an individual who attained the age  
23 of nineteen, with income exceeding one hundred per cent of the  
24 federal poverty level, who meets the requirements specified in this act;

25 (10) "Enrollee" means an eligible beneficiary who receives services  
26 from a managed care plan under the HUSKY Plan, Part C;

27 (11) "HUSKY Plan, Part B" means the health insurance plan for  
28 children established pursuant to the provisions of sections 17b-289 to  
29 17b-303, inclusive, and section 16 of public act 97-1 of the October 29  
30 special session;

31 (12) "HUSKY Plan, Part C" means the health insurance plan for  
32 adults established pursuant to the provisions of sections 1 to 12,  
33 inclusive, of this act;

34 (13) "Income" means income as calculated in the same manner as  
35 under the Medicaid program pursuant to section 17b-261 of the  
36 general statutes;

37 (14) "Managed care plan" means a plan offered by an entity that  
38 contracts with the department to provide benefits to enrollees on a

39 prepaid basis;

40 (15) "Premium" means any required payment made by an  
41 individual to pay in full the capitation rate under the HUSKY Plan,  
42 Part C;

43 (16) "Preventive care and services" means: (A) Health screenings  
44 and routine laboratory tests; (B) prenatal care, including care of all  
45 complications of pregnancy, including attendance at high-risk  
46 deliveries; (C) WIC evaluations; and (D) preventive dental care for  
47 adults;

48 (17) "Primary and preventive health care services" means the  
49 services of licensed physicians, optometrists, nurses, nurse  
50 practitioners, midwives and other related health care professionals  
51 which are provided on an outpatient basis including routine visits,  
52 diagnosis and treatment of illness and injury, laboratory tests,  
53 diagnostic x-rays, prescription drugs, radiation therapy,  
54 chemotherapy, hemodialysis, emergency room services, and outpatient  
55 alcohol and substance abuse services, as defined by the commissioner;  
56 and

57 (18) "WIC" means the federal Special Supplemental Food Program  
58 for Women, Infants and Children administered by the Department of  
59 Public Health pursuant to section 19a-59c of the general statutes.

60 Sec. 2. (NEW) (*Effective October 1, 2003*) (a) An adult with income  
61 over one hundred per cent of the federal poverty level may be eligible  
62 for unsubsidized benefits under the HUSKY Plan, Part C.

63 (b) An individual making application for enrollment in the HUSKY  
64 Plan, Part C shall, at the time of application, be required to pay a  
65 thirty-dollar application fee to the Department of Social Services. An  
66 individual participating in the Husky Plan, Part C shall, annually,  
67 upon reenrollment, pay a thirty-dollar enrollment fee to the  
68 department. An individual participating in the HUSKY Plan, Part C  
69 shall, annually, upon enrollment, pay an administrative services fee in

70 accordance with the provisions of section 5 of this act to the  
71 department.

72 (c) There is established, within the General Fund, a separate and  
73 nonlapsing account to be known as the "HUSKY Plan, Part C account".  
74 The account shall contain any moneys received by the Department of  
75 Social Services pursuant to subsection (b) of this section. Investment  
76 earnings credited to the assets of the account shall become part of the  
77 assets of the account. Any balance remaining in the account at the end  
78 of any fiscal year shall be carried forward for the fiscal year next  
79 succeeding. The moneys in said account shall be used exclusively to  
80 pay for administrative costs incurred by the department through the  
81 development, implementation and routine operation of the HUSKY  
82 Plan, Part C.

83 (d) The Commissioner of Social Services shall enter into a contract  
84 with an entity to be a single point of entry servicer for applicants and  
85 enrollees under the HUSKY Plan, Part C. Such servicer shall develop  
86 and implement public information and outreach activities with  
87 community programs. Such servicer shall electronically transmit data  
88 with respect to enrollment and disenrollment in the HUSKY Plan, Part  
89 C to the commissioner.

90 (e) The single point of entry servicer shall send an application and  
91 supporting documents to the commissioner for determination of  
92 eligibility of an adult with income exceeding one hundred per cent of  
93 the federal poverty level. The servicer shall enroll eligible beneficiaries  
94 in the applicant's choice of managed care plan.

95 (f) The commissioner shall implement the HUSKY Plan, Part C  
96 while in the process of adopting necessary policies and procedures in  
97 regulation form in accordance with the provisions of section 17b-10 of  
98 the general statutes.

99 (g) The commissioner shall adopt regulations, in accordance with  
100 chapter 54 of the general statutes, necessary to implement the  
101 provisions of this act, including, but not limited to, the establishment

102 of residency requirements and income eligibility for participation in  
103 the HUSKY Plan, Part C and procedures for a simplified mail-in  
104 application process.

105 Sec. 3. (NEW) (*Effective October 1, 2003*) (a) The HUSKY Plan, Part C  
106 shall provide the following minimum benefit coverage:

107 (1) Preventive care and services;

108 (2) Inpatient physician and hospital services, outpatient surgical  
109 services, ambulance service and for emergency medical conditions,  
110 skilled nursing, home health, hospice and short-term rehabilitation  
111 and physical therapy, occupational and speech therapies, lab and x-  
112 ray, preadmission testing, prosthetics, durable medical equipment  
113 other than powered wheelchairs, dental exams every six months, x-  
114 rays, fillings, fluoride treatments and oral surgery. For the purposes of  
115 this subdivision, in accordance with the National Committee for  
116 Quality Assurance, an emergency medical condition is a condition  
117 such that a prudent layperson, acting reasonably, would have believed  
118 that emergency medical treatment is needed;

119 (3) Outpatient physician visits, hearing examinations, nurse  
120 midwives, nurse practitioners, podiatrists, chiropractors and  
121 natureopaths;

122 (4) Prescription drugs;

123 (5) Eye care and optical hardware;

124 (6) Orthodontia in medically necessary cases;

125 (7) Mental health inpatient maximum of sixty days with allowable  
126 substitution of alternative levels of care and outpatient maximum of  
127 thirty visits, provided coverage under the HUSKY Plan, Part C shall be  
128 consistent with the provisions of the Mental Health Parity Act, Public  
129 Law 104-204, and sections 38a-488a, 38a-514 and 38a-533 of the general  
130 statutes;

131 (8) Substance abuse, detoxification and inpatient for drugs sixty  
132 days, detoxification and inpatient for alcohol for forty-five days and  
133 outpatient visits for sixty days per calendar year maximum; and

134 (9) Under the HUSKY Plan, Part C no preexisting condition  
135 exclusion shall be applied, and there shall be no lifetime benefit  
136 maximums, however there may be annual benefit maximums.

137 (b) The Commissioner of Social Services may establish a schedule of  
138 copayments and coinsurance for coverage provided under  
139 subdivisions (1) to (9), inclusive, of subsection (a) of this section.

140 Sec. 4. (NEW) (*Effective October 1, 2003*) The Commissioner of Social  
141 Services shall require the payment of a premium in connection with  
142 services provided under the HUSKY Plan, Part C in accordance with  
143 the following limitations: (1) On or before January 1, 2004, the  
144 commissioner shall establish a schedule for the maximum annual  
145 aggregate premium for individuals enrolling in the HUSKY Plan, Part  
146 C, provided such premiums shall not exceed two hundred per cent of  
147 the group premium rates charged to families enrolled in the HUSKY  
148 Plan, Part B, pursuant to subsection (b) of section 17b-292 of the  
149 general statutes; and (2) the commissioner shall require each managed  
150 care plan to monitor premiums under the provisions of this section.

151 Sec. 5. (NEW) (*Effective October 1, 2003*) (a) The Commissioner of  
152 Social Services shall require the payment of an administrative services  
153 fee in connection with services provided under the HUSKY Plan, Part  
154 C in accordance with the following limitations: (1) On or before  
155 January 1, 2004, and prior to the establishment of premium schedules  
156 for enrollees in the HUSKY Plan, Part C program, the commissioner  
157 shall calculate: (A) Administrative costs to be incurred by the  
158 department in the implementation and development of the HUSKY  
159 Plan, Part C; and (B) on or before January 1, 2004, and annually  
160 thereafter, the commissioner shall calculate the anticipated  
161 administrative costs for routine annual operation of the Husky Plan,  
162 Part C.

163 (b) Administrative costs calculated by the commissioner pursuant to  
164 subsection (a) of this section shall be paid for by moneys deposited in  
165 the account established pursuant to section 2 of this act.

166 Sec. 6. (NEW) (*Effective October 1, 2003*) (a) Except as provided in  
167 subsection (b) of this section, the Commissioner of Social Services may  
168 impose limitations on the amount, duration and scope of benefits  
169 under the HUSKY Plan, Part C.

170 (b) The limitations adopted by the commissioner pursuant to  
171 subsection (a) of this section shall not preclude coverage of any item of  
172 durable medical equipment or service that is medically necessary.

173 Sec. 7. (NEW) (*Effective October 1, 2003*) (a) On or before January 1,  
174 2004, the Commissioner of Social Services shall enter into contracts  
175 with managed care organizations to provide the services described in  
176 section 3 of this act to enrollees in the HUSKY Plan, Part C program.

177 (b) Each managed care plan shall include sufficient numbers of  
178 appropriately trained and certified clinicians, including primary,  
179 medical subspecialty and surgical specialty physicians, as well as  
180 providers of necessary related services such as dental services, mental  
181 health services, social work services, developmental evaluation  
182 services, occupational therapy services, physical therapy services,  
183 speech therapy and language services, and other public health services  
184 to assure enrollees the option of obtaining benefits through such  
185 providers.

186 (c) Each managed care organization that enters into a contract with  
187 the department pursuant to subsection (a) of this section to provide  
188 comprehensive services under the HUSKY Plan, Part C, shall have  
189 primary responsibility for ensuring that its behavioral health and  
190 dental subcontractors adhere to the contract between the Department  
191 of Social Services and the managed care organization, including the  
192 provision of timely payments to providers and interest payments in  
193 accordance with subdivision (15) of section 38a-816 of the general  
194 statutes. The managed care organization shall submit to the

195 department a claims aging inventory report including all data on all  
196 services paid by subcontractors in accordance with the terms of the  
197 contract with the department.

198 (d) Upon the initial contract or the renewal of a contract between a  
199 managed care organization and a behavioral health or dental  
200 subcontractor, the department shall require that the managed care  
201 organizations impose a performance bond, letter of credit, statement of  
202 financial reserves or payment withhold for behavioral health and  
203 dental subcontractors that provide services under the HUSKY Plan,  
204 Part C. Any such performance bond, letter of credit, statement of  
205 financial reserves or payment withhold that may be required by the  
206 department pursuant to a contract with a managed care organization  
207 shall be in an amount sufficient to assure the settlement of provider  
208 claims in the event that the contract between the managed care  
209 organization and the behavioral health or dental subcontractor is  
210 terminated. Upon the initial contract or the renewal of a contract  
211 between a managed care organization and a behavioral health or  
212 dental subcontractor, the managed care organization shall negotiate  
213 and enter into a contract termination agreement with its behavioral  
214 health and dental subcontractors that shall include, but not be limited  
215 to, provisions concerning financial responsibility for the final  
216 settlement of provider claims and data reporting to the department.  
217 The managed care organization shall submit reports to the department,  
218 at such times as the department shall determine, concerning any  
219 payments made from such performance bond or any payment  
220 withholds, the timeliness of claim payments to providers and the  
221 payment of any interest to providers.

222 (e) Prior to the approval by the department of a contract between a  
223 managed care organization and a behavioral health and dental  
224 subcontractor for services provided under the HUSKY Plan, Part C, the  
225 managed care organization shall submit a plan to the department for  
226 the resolution of any outstanding claims submitted by providers to a  
227 previous behavioral health or dental subcontractor of the managed  
228 care organization for services provided to members enrolled in the



229 HUSKY Plan, Part C. Such plan for the resolution of outstanding  
230 claims shall include a claims aging inventory report and shall comply  
231 with the terms of the contract between the department and the  
232 managed care organization.

233 Sec. 8. (NEW) (*Effective October 1, 2003*) (a) The Commissioner of  
234 Social Services, in consultation with the Labor Commissioner and the  
235 Commissioners of Economic and Community Development and Public  
236 Health, shall develop mechanisms for outreach for the HUSKY Plan,  
237 Part C, including, but not limited to, development of mail-in  
238 applications and appropriate outreach materials through the  
239 Department of Revenue Services, the Labor Department, the  
240 Department of Social Services, the Department of Economic and  
241 Community Development and the Department of Public Health.

242 (b) All Husky Plan, Part C outreach materials shall be approved by  
243 the Commissioner of Social Services.

244 Sec. 9. (NEW) (*Effective October 1, 2003*) (a) The Commissioner of  
245 Social Services shall adopt regulations, in accordance with chapter 54  
246 of the general statutes, to establish appropriate contract standards to  
247 oversee and ensure the quality of care provided under the HUSKY  
248 Plan, Part C. Such regulations shall require the establishment of an  
249 internal quality assurance plan by each managed care plan which shall  
250 be in writing and available to the public.

251 (b) The commissioner shall develop criteria for assessing the  
252 outcomes of health care provided to adults under the HUSKY Plan,  
253 Part C.

254 (c) The commissioner shall contract for the external quality review  
255 of the HUSKY Plan, Part C. Such review shall include, but not be  
256 limited to, an evaluation of access to care, medical record standards,  
257 provider credentialing and individual case review.

258 (d) The commissioner may impose the following sanctions on any  
259 managed care plan which does not meet the quality of care required by

standards adopted pursuant to subsection (a) of this section or the standards developed for external quality review by a contract under the provisions of subsection (c) of this section:

(1) Require the managed care plan to submit and implement a plan of correction;

(2) Limit new enrollment during any period of noncompliance;

(3) Withhold state payments that may become due until the deficiencies are corrected; and

(4) Prohibit the managed care plan from renewing or entering into new contracts to serve enrollees.

Sec. 10. (NEW) (*Effective October 1, 2003*) (a) The Commissioner of Social Services or, at the commissioner's discretion, the single point of entry servicer shall review applications for eligibility to determine whether applicants or employers of applicants have discontinued employer-sponsored coverage for the purpose of participation in the HUSKY Plan, Part C.

(b) An application may be disapproved if it is determined that an individual to be covered under the HUSKY Plan, Part C was covered by an employer-sponsored insurance within the last four months. If the commissioner determines that the time period specified in this subsection is insufficient to effectively deter applicants or employers of applicants from discontinuing employer-sponsored coverage for the purpose of participation in the HUSKY Plan, Part C, the commissioner may extend such period for a maximum of an additional two months.

(c) An application may be approved in cases where prior employer-sponsored coverage ended less than four months prior to the determination of eligibility for reasons unrelated to the availability of the HUSKY Plan, Part C, including, but not limited to:

(1) Loss of employment due to factors other than voluntary termination;

290 (2) Change to a new employer that does not provide an option for  
291 health benefits;

292 (3) Change of address so that no employer-sponsored coverage is  
293 available;

294 (4) Discontinuation of health benefits to all employees of the  
295 applicant's employer;

296 (5) Expiration of the coverage periods established by the  
297 Consolidated Omnibus Budget Reconciliation Act of 1985, (P.L. 99-272)  
298 as amended from time to time, (COBRA);

299 (6) Self-employment;

300 (7) Termination of health benefits due to a long-term disability;

301 (8) Termination of health benefits due to an extreme economic  
302 hardship on the part of either the employee or the employer, as  
303 determined by the commissioner; or

304 (9) Substantial reduction in either lifetime medical benefits or  
305 benefit category available to an employee under an employer's health  
306 care plan.

307 Sec. 11. (NEW) (*Effective October 1, 2003*) Any payment made by the  
308 state on behalf of an enrollee as a result of any false statement,  
309 misrepresentation or concealment of or failure to disclose income or  
310 health insurance coverage by an applicant responsible for maintaining  
311 insurance may be recovered by the state.

312 Sec. 12. (NEW) (*Effective October 1, 2003*) The Commissioner of Social  
313 Services shall implement the policies and procedures necessary to  
314 carry out the provisions of sections 1 to 11, inclusive, of this act, while  
315 in the process of adopting such policies and procedures in regulation  
316 form, provided notice of intent to adopt the regulations is published in  
317 the Connecticut Law Journal within twenty days after implementation.  
318 Such policies and procedures shall be valid until the time final

319 regulations are effective."

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>
Sec. 2	<i>October 1, 2003</i>
Sec. 3	<i>October 1, 2003</i>
Sec. 4	<i>October 1, 2003</i>
Sec. 5	<i>October 1, 2003</i>
Sec.	<i>October 1, 2003</i>
Sec. 7	<i>October 1, 2003</i>
Sec. 8	<i>October 1, 2003</i>
Sec. 9	<i>October 1, 2003</i>
Sec. 10	<i>October 1, 2003</i>
Sec. 11	<i>October 1, 2003</i>
Sec. 12	<i>October 1, 2003</i>